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AT&T Federal Government Affairs

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September 15, 1999

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SEP 15 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Written Ex Parte
In the Matter of Applications for Consent to the Transfer of Control
Licenses From MediaOne Group, Inc. to AT&T Corp.
CS Docket No. 99-251

Dear Ms. Salas:

Please include a copy of the attached letter in the record of the referenced proceeding.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Joan Marsh

cc: To-Quyen Truong

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. To-Quyen Troung
Associate Chief
Cable Services Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Applications for Consent to the Transfer of Control Licenses
From MediaOne Group, Inc. to AT&T Corp.
CS Docket No. 99-251

Dear Ms. Troung:

This letter responds to your letter of September 10, 1999 as it pertains to the Cable Services Bureau's July 28, 1999 requests to AT&T Corp. ("AT&T") for documents and information ("July 28 Requests") regarding the pending application for approval of the license transfers associated with the merger of AT&T and MediaOne Group, Inc. ("MediaOne"), and follows-up on our discussions regarding those requests. As requested, this letter will identify and describe the documents that AT&T has produced in response to each July 28 Request, discuss instances where requested documents have not yet been produced, and explain why they have not yet been produced. In addition, this letter discusses the Bureau's August 3, 1999 requests ("August 3 Requests").

July 28 Requests

As is shown below, AT&T has provided information and documents in response to substantially all of the July 28 Requests where such information exists and where AT&T has been able to obtain it. In certain limited instances, I have been advised that AT&T is required to seek consents from other entities before it can provide the requested information. In those cases, which are identified below, AT&T's requests for appropriate consent are pending and AT&T will promptly provide the information if needed consents are granted.



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Requests (a) and (b)

AT&T has requested Liberty Media's consent to produce the Intergroup Agreement and the Intercompany Agreement, and will produce the documents, subject to the terms of the protective order and appropriately redacted, when it obtains consent to do so.

Request (c)

Liberty Media "corporate tree" charts of the nature specified in the request do not exist. However, AT&T has provided substantially the same information as requested in a different format. The document entitled "Investor Relations - Liberty Affiliate List," provided on September 3, 1999 ("September 3 production"), sets forth in great detail Liberty Media's assets held both directly and indirectly through partnerships, joint ventures, common stock investments, and instruments convertible into common stock. This document also shows approximate attributed ownership interests in each entity and describes Liberty's management rights.

Request (d)

There is no chart that shows AT&T's "organizational structure" as requested. Therefore, in response to this request, AT&T provided in its September 3 production its most recent 10-K and 10-Q disclosures, which not only provide information about AT&T's general corporate organization, but also address AT&T's cable-related holdings and subsidiaries. AT&T is also separately producing Exhibit 21 to its 1998 10-K, which consists of a "List of Subsidiaries of AT&T." Please advise if there is additional organizational information that you require.

Request (e)

AT&T plans to produce its non-exclusive agreement to purchase set-top box operating systems from Microsoft, subject to the terms of the protective order and appropriately redacted, when appropriate consents have been obtained. AT&T believes that publicly available information adequately discloses facts relevant to this proceeding (if any) regarding AT&T's other recently announced contractual arrangements with Microsoft (such as Microsoft's purchase of non-voting AT&T Corp. debt instruments). AT&T therefore does not plan to produce these other agreements. Further, like many large businesses, AT&T has many license and other agreements with Microsoft relating to computer software for personal and other computers. AT&T does not plan to produce these agreements.

Request (f)

AT&T provided in the September 3 production detailed information regarding AT&T/MediaOne overlaps. As shown in the document entitled "AT&T/MediaOne Cable Overlaps," with very minimal exceptions there is no geographic overlap between AT&T's and MediaOne's cable systems. Any overlaps that exist are described in that document. In addition, attached to that document is a list of all Liberty Media cable (as well as satellite, broadcast and internet/interactive) television interests, with approximate attributable ownership percentages. AT&T also has provided a detailed chart showing areas of overlap between AT&T's commercial mobile radio service licenses and MediaOne's cable franchises, which is titled "AT&T Wireless/MediaOne Overlaps." For each wireless market, the chart lists each MediaOne cable franchise, as well as the percent owned.

Request (g)

AT&T provided in the September 3 production a document entitled "AT&T's Interest in Excite@Home" which describes AT&T's interest in At Home Corporation, as well as AT&T's ability to elect directors or otherwise affect management decisions. In addition, AT&T provided in the September 3 production the most recent 10-K and 10-Q submissions for At Home Corporation and the most recent 10-K for Excite Inc. AT&T Worldnet is a 100% owned business unit of AT&T.

Request (h)

In its September 3 production, AT&T provided a copy of the publicly available "Master Distribution Agreement Term Sheet" which governs the referenced relationships.

Request (i)

AT&T has produced all of the requested agreements in its September 3 production. They include Network Distribution Agreements between @Home and the following: Prime Communications; Insight Communications; Midcontinent Media, Inc.; Bresnan Communications; Marcus Cable; Jones Intercable Inc.; Intermedia Partners; Century Communications; and Garden State Cablevision.

Request (j)

We understand that the requested documents have been produced by MediaOne.

August 3 Requests

As noted in your September 10, 1999 letter, AT&T and the Commission's Staff have agreed to discuss further the relevance of the requested documents relating to advanced set-top boxes to the issues raised in this license transfer proceeding. In order to facilitate these discussions, AT&T Vice President Laurie Priddy was prepared to discuss AT&T's advanced set-top box plans with the Commission's Staff on September 16, 1999. That presentation was cancelled today due to the threatening hurricane, but has been rescheduled for next week. In connection with that presentation, AT&T provided three documents in the September 3 production: the July 14, 1999 statement of AT&T's Chairman C. Michael Armstrong before the Senate Judiciary Committee on Internet Service Competition, and the transcripts of two Multichannel News Online interviews, one with Laurie Schwartz Priddy, entitled "NDTC Chief Laurie Priddy Sees Set Top Box Progress," and the other with Lisa Lee entitled "New OpenCable Director Seeks Common Ground." Additional background materials, including a videotape, were produced on September 14, 1999. AT&T does not plan to produce additional documents responsive to this request at this time.

Please give me a call if you have any questions regarding the documents provided or the matters set forth herein.

Sincerely,

A handwritten signature in black ink, appearing to be "Jean Marsh", with a stylized, flowing script.

Jean Marsh